

ORIGINAL

NEW APPLICATION



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Arizona Corporation Commission

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Richard L. Sallquist, Esq. (002677)  
SALLQUIST, DRUMMOND & O'CONNOR, P.C.

4500 S. Lakeshore Drive, Suite 339  
Tempe, Arizona 85282

Telephone: (480) 839-5202 Fax: (480) 345-0412  
Attorneys for Little Park Water Company, Inc.

DOCKETED BY

WJW

AZ CORP COMMISSION  
DOCKET CONTROL

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE APPLICATION OF  
LITTLE PARK WATER COMPANY INC. FOR  
AN EXTENSION OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO  
PROVIDE WATER SERVICE IN YAVAPAI  
COUNTY, ARIZONA.

DOCKET NO. W-02192A-07-\_\_\_\_\_  
W-02192A-07-0326

**APPLICATION**

Little Park Water Company, Inc. ("Little Park") submits this Application to extend its water Certificate of Convenience and Necessity. In support of this Application, Little Park states as follows:

1. Little Park holds a Certificate of Convenience and Necessity ("CC&N") issued by the Commission to provide water service in portions of Yavapai County, Arizona.

2. A copy of the completed CC&N Extension Application as required by the Commission is attached hereto as **Attachment A**.

3. A copy of the Line Extension Agreement with Verde Valley School, the owner of the subject property, supporting the Application is appended hereto as **Attachment B**.

4. Attached hereto as **Attachment C** are the Improvement Plans for the Verde Valley School showing the water facilities to be constructed under the Line Extension Agreement.

5. Little Park has sufficient water capacity to serve the Subject Area.

6. Little Park will provide service to the Subject Area under their existing service rates, charges, terms and conditions, as those rates may be amended by appropriate regulatory action.

1           7.     Little Park has provided notice of this Application to the Property Owner in the  
2 form attached as **Attachment D** hereto.

3           WHEREFORE, Little Park respectfully requests that the Commission hold a hearing on  
4 this Application as soon as practicable, and thereafter issue an order granting the requested  
5 extension of its water Certificate of Convenience and Necessity.

6                         Respectfully submitted this 24<sup>th</sup> day of May 2007.

7   SALLQUIST, DRUMMOND & O'CONNOR, P.C.

8  
9   By: 

Richard L. Sallquist

SALLQUIST, DRUMMOND & O'CONNOR, P.C.

4500 S. Lakeshore Drive, Suite 339

Tempe, Arizona 85282

Attorneys for Little Park Water Company, Inc.

12   The original and fifteen copies of  
13 the foregoing were filed this 24<sup>th</sup>  
day of May, 2007:

14   Docket Control  
15   Arizona Corporation Commission  
16   1200 W. Washington St.  
17   Phoenix, AZ 85007  
18  
19  
20  
21  
22  
23

Copies of the foregoing were mailed  
this 24<sup>th</sup> day of May 2007 to:

Hearing Division  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

Legal Division  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

Utilities Division  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

D, ch

**ARIZONA CORPORATION COMMISSION**  
**APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY**  
**WATER AND/OR SEWER**

- A. The name, address and telephone number of the Applicant (Company) is:

Little Park Water Company

45 Castle Rock Road, Suite #4 , Sedona, AZ 86351

Tel. 928-284-2298 Fax 928-284-1974

- B. If doing business (d.b.a.) under a name other than the Applicant (Company) name listed above, specify:

N/A

- C. List the name, address and telephone number of the management contact:

Steve Gudovic, President  
Little Park Water Company

45 Castle Rock Road, Suite #4  
Sedona, AZ 86351

- D. List the name, address and telephone number of the attorney for the Applicant:

Richard Sallquist, Esq.

4500 Lakeshore Drive, Suite #339  
Tempe, AZ 85282

Tel. 480-839-5202

- E. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

Mic Barker #928-284-1133

Little Park Water Company  
45 Castle Rock Road, Suite #4  
Sedona, AZ 86351  
Tel. #928-284-1133

F. List the name, address and telephone number of the on-site manager of the utility:

Steve Gudovic - President  
Little Park Water Company  
45 Castle Rock Road, Suite #4  
Sedona, AZ 86351  
Tel. 928-284-2298

G. The Applicant is a:

<input checked="" type="checkbox"/> Corporation: <input checked="" type="checkbox"/> "C", <input type="checkbox"/> "S", <input type="checkbox"/> Non-Profit <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Limited, <input type="checkbox"/> General <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company (LLC)
<input type="checkbox"/> Other (Specify)	

H. If Applicant is a corporation:

1. List names of Officers and Directors:

Officers

Steve Gudovic  
Mary Lynn Gudovic

Directors

Mary Lynn Gudovic  
Steve Gudovic

---

2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission. Attachment #1

3. Attach a copy of the Articles of Incorporation. Attachment #2

4. Attach a copy of the corporation's By-Laws. Attachment #3

5. If a for-profit corporation, indicate the number of shares of stock authorized for issue: 1,000 common

6. If stock has been issued, indicate the number of shares issued and date of issue:

100 common

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H. If the Applicant is a partnership:

1. List the names of the general partners:

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2. List the name, address and telephone number of the managing partners:

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3. Attach a copy of the Partnership's Articles of Partnership.

- If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State.

J. If the Applicant is a sole proprietor, list the name, address and telephone number of the proprietor:

---

\_\_\_\_\_

\_\_\_\_\_

K. If the Applicant is a Limited Liability Company:

1. List the names of managers:

\_\_\_\_\_

\_\_\_\_\_

L. List the names and addresses of any other public utility interest, which the applicant may have:

Big Park Water Company, 45 Castle Rock Water, Suite #4, Sedona, AZ 86351

M. Attach a description of the area requested using **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and dockets will not be accepted. Attachment #4

N. Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors. Attachment #5

O. Attach financial information in a format similar to Attachment "C". Attachment #6

P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary):

As advances in-aid-of construction under the Standard Line Extension  
Agreement and internal financing by the Company

Q. Estimated starting and completion dates of construction of utility facilities:

Starting date October 2007 Completion May 2008

R. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form. Attachment #7

S. Attach the following permits:

1. The franchise from either the City or County for the area requested. Attachment #8
2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities. Not available at this time
3. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) N/A
4. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) N/A
5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies.
  - If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources, if applied for by the developer. Attachment #9
  - If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested.
6. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district. Attachment #10

T. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation:

**Residential:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_

Fifth Year \_\_\_\_\_

**Commercial:**

First Year 1 Second Year 1 Third Year 1 Fourth Year 1



Fifth Year 1

**Industrial:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_

Fifth Year \_\_\_\_\_

**Irrigation:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

2. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

**Residential:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_

Fifth Year \_\_\_\_\_

**Commercial:**

6,055,000 6,055,000 6,055,000  
First Year / Second Year / Third Year / Fourth Year 6,055,000

Fifth Year 6,055,000

**Industrial:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_

Fifth Year \_\_\_\_\_

**Irrigation:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_

Fifth Year \_\_\_\_\_

3. Indicate the total estimated annual operating revenue for each of the first five years of operation:

**Residential:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**Commercial:**

First Year 21,680 Second Year 21,680 Third Year 21,680

Fourth Year 21,680 Fifth Year 21,680

**Industrial:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**Irrigation:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

4. Indicate the total estimated annual operating expenses for each of the first five years of operation:

**Residential:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

**Commercial:**

First Year 10,410 Second Year 10,410 Third Year 10,410

Fourth Year 10,410 Fifth Year 10,410

**Industrial:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

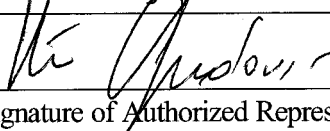
**Irrigation:**

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

5. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3). . See Exhibit "C" of Line Extension Agreement
6. Indicate the total estimated cost to construct utility facilities:

. See Exhibit "C" of Line Extension Agreement

  
\_\_\_\_\_  
(Signature of Authorized Representative)

Steve Gudovic

\_\_\_\_\_  
(Type or Print Name Here)

President

\_\_\_\_\_  
(Title)

SUBSCRIBED AND SWORN to before me this 15 day of May, 2007



  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires March 26, 2010

# STATE OF ARIZONA



## Office of the CORPORATION COMMISSION

### CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

**\*\*\*LITTLE PARK WATER COMPANY, INC.\*\*\***

a domestic corporation organized under the laws of the State of Arizona, did incorporate on March 14, 1979.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 3rd Day of May, 2007, A. D.



Executive Director

By

ARTICLES OF INCORPORATION  
OF  
LITTLE PARK WATER COMPANY, INC.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day associated ourselves for the purpose of forming a corporation under the laws of the State of Arizona, and do hereby adopt the following Articles of Incorporation.

ARTICLE I

The name of this Corporation shall be LITTLE PARK WATER COMPANY, INC.

ARTICLE II

The incorporators of the Corporation and their addresses are as follows:

Bernard Shostack, M.D.  
3417 North 32nd Street  
Phoenix, Arizona 85018

Adam Sonnenklar  
5425 East Yucca Street  
Scottsdale, Arizona 85254

ARTICLE III

The known place of business of the Corporation shall initially be as follows: 3417 North 32nd Street, Phoenix, Arizona 85018. Said place of business shall be subject to change hereafter in accordance with applicable law.

#### ARTICLE IV

The objects and purposes of this Corporation and the general nature of the business it initially proposes to transact are set forth below.

(a) The object and purpose of this Corporation are to conduct any or all manner and kind of lawful business for which corporations may be incorporated under the laws of the State of Arizona, and this Corporation shall be deemed for all purposes to have the authority and power to transact all or any such manner and kind of business; the Corporation's powers, objects and purposes as aforesaid shall include, but not be limited to, the several powers, objects and purposes set forth in Arizona Revised Statutes § 10-004, as in effect on the date hereof, which are hereby incorporated herein by this reference.

(b) The character of the business which this Corporation initially intends to conduct is as follows: namely, to engage in the business of water company. The description as aforesaid of the business initially intended to be conducted by this Corporation shall not in any way limit (i) the character of business hereafter to be conducted by this Corporation, or (ii) the generality of Paragraph (a) of this Article IV.

#### ARTICLE V

A. Capital Stock. The authorized capital stock of this Corporation shall be ONE THOUSAND (1,000) shares without par value. The shares of capital stock of this Corporation shall be issuable for such consideration as is specified by the Board of Directors in its sole discretion (provided the same is not inconsistent with applicable law or the express provisions of these Articles), and upon receipt by this Corporation of the consideration so specified, the shares so issued shall be deemed to be fully paid and non-assessable for all purposes.

No stockholder of this Corporation shall have any preemptive or other similar right or option with respect to shares of capital stock proposed to be offered or issued by this Corporation except as expressly provided herein.

B. Distributions from Capital Surplus. The Board of Directors shall have the authority to effect a distribution from capital surplus of this Corporation to the holders of its outstanding capital stock, subject to the requirements of applicable law.

C. Repurchase of Shares. The Board of Directors shall have the authority to effect a repurchase by this Corporation of outstanding shares of its capital stock to the extent of any funds or assets legally available therefor, including unserved and unrestricted earned surplus and/or capital surplus.

D. Preemptive Rights. Prior to the consummation of any proposed issuance or sale by this Corporation of any shares of its capital stock (including any treasury shares), such shares shall first be offered (on the same terms and conditions as so proposed to be issued or sold) to the holders of this Corporation's then outstanding voting capital stock (i.e., capital stock eligible to be voted generally at meetings of stockholders) in proportion to their respective holdings, all as more fully set forth below:

(a) Said terms and conditions shall be communicated in writing to each holder of outstanding shares

of this Corporation's voting capital stock, at his address appearing on the books of this Corporation, together with a statement of his rights hereunder.

(b) Each holder of outstanding shares of this Corporation's voting capital stock shall have the option to acquire his proportion (i.e., a fraction, the numerator of which is the number of votes he is entitled generally to cast with respect to his shares, and the denominator of which is the total number of votes shareholders are entitled generally to cast) of the capital stock so proposed to be issued or sold, on the same terms and conditions, which option shall be exercised by delivery of written notice of exercise to the principal office or statutory agent of this Corporation within ten (10) business days after receipt of the communication referred to in subparagraph (a) above. An option shall be exercised as to all shares subject thereto, and not in part.

(c) In the event any holder of outstanding shares of this Corporation's voting capital stock shall fail or decline to exercise his preemptive option as aforesaid, such holder's proportion of said capital stock shall be acquired by the shareholders who have exercised their options in proportion to the number of shares subject to their options.

(d) Any acquisition of capital stock pursuant to the preemptive rights conferred by this paragraph D shall be closed on the date which is the later of (i) ten (10) business days after receipt by this Corporation of the last written notice of exercise given pursuant to subparagraph (b) above, or (ii) the date of the proposed issuance giving rise to such rights, as set forth in the notice given pursuant to subparagraph (a) above.

(e) The holders of capital stock not entitled to be voted generally at meetings of stockholders shall not be entitled to any preemptive or other similar right with respect to capital stock proposed to be issued or sold by this Corporation.

#### ARTICLE VI

The business and affairs of this Corporation shall be conducted by a Board of Directors of not less than one (1) nor



more than ten (10) members, as established from time to time by said Board. The following-named persons shall constitute the first Board of Directors:

Bernard Shostack  
3417 North 32nd Street  
Phoenix, Arizona 85018

Adam Sonnenklar  
5425 East Yucca Street  
Scottsdale, Arizona 85254

The Board of Directors may establish committees from time to time in accordance with applicable law, but no such committee shall have the authority to authorize (i) amendments to the By-laws of this Corporation, (ii) issuances of capital stock, (iii) dividends on capital stock or (iv) any other payment with respect to or alteration of outstanding shares of capital stock.

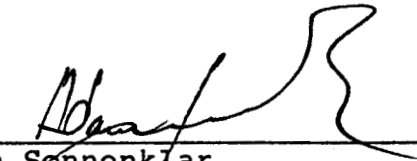
#### ARTICLE VII

This Corporation hereby appoints MARTORI, MEYER, HENDRICKS & VICTOR, A Professional Association, Thirty-Fifth Floor, Valley Center, Phoenix, Arizona, as statutory agent of this Corporation. The Board or Directors may, at any time, effect the revocation of this or any other appointment of such agent.

IN WITNESS WHEREOF, the undersigned have caused these Articles to be executed as of the 7th day of <sup>March</sup> ~~FEBRUARY~~, 1979.

  
Bernard Shostack, M.D.

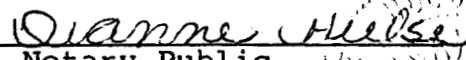
3417 North 32nd Street  
Phoenix, Arizona 85018

  
Adam Sonnenklar  
5424 East Yucca Street  
Scottsdale, Arizona 85254

STATE OF ARIZONA     )  
                              ) ss.  
County of Maricopa )

On this, the 7th day of March, 1979, before me, the undersigned Notary Public, personally appeared BERNARD SHOSTACK, M.D., known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

  
Notary Public

My Commission Expires:

July 13, 1982



STATE OF ARIZONA     )  
                              ) ss.  
County of Maricopa )

On this, the 7th day of March, 1979, before me, the undersigned Notary Public, personally appeared ADAM SONNENKLAR, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Dianne Helge  
Notary Public

My Commission Expires:

July 13, 1982

A.C.C. - INCORPORATING DIV.  
RECEIVED

MAR 12 1979

DOCUMENTS ARE SUBJECT  
TO REVIEW BEFORE FILING.

121548

ARIZONA CORPORATION COMMISSION  
INCORPORATING DIVISION

FILED

MAR 14 1979

At 8:05 A. M. at request of  
Martori, Meyer, Hendricks & Victor  
Address 35th Floor---Valley Center  
Phoenix, Arizona---85073  
By Daphene Long

G. C. Anderson, Jr.,

LITTLE PARK WATER COMPANY, INC.  
an Arizona Corporation

BYLAWS

ARTICLE I

OFFICES

The Corporation may have offices at such places, both within and without the State of Arizona, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Any meeting of the stockholders for the election of directors or for any other purpose may be held at such time and place, within or without the State of Arizona, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. An annual meeting of stockholders shall be held on the first Wednesday of December, commencing in 1979, at the principal place of business of the Corporation in the State of Arizona, or on such other date and at such other place as the Board of Directors may specify, within or without the State of Arizona, at which meeting the stockholders entitled to vote shall elect a board of directors (by the cumulative system of voting if, but only if, the same shall then be mandatory for corporations organized under the laws of the State of Arizona) and shall transact such other business as may properly be brought before the meeting.

Section 3. Written notice of the annual meeting shall be given to each stockholder entitled to vote thereat at least ten days (but no more than fifty days) before the date of the meeting.

Section 4. The officer who has charge of the stock transfer books of the Corporation shall prepare and make a complete record of the stockholders entitled to vote at each meeting of the stockholders, arranged in alphabetical order with the residence of and the number of voting shares held by each. Such record shall be produced and kept open at the time and place of the meeting during the whole time thereof and shall be subject

to the inspection of any stockholder during the whole time of the meeting for the purposes thereof.

Section 5. A special meeting of the stockholders, for any purpose or purposes, unless otherwise provided by statute or by the Articles of Incorporation, may be called by the President and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of stockholders owning at least thirty percent (30%) in amount of the entire capital stock of the Corporation issued and outstanding and entitled generally to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of a special meeting of stockholders, stating in reasonable detail the time, place and object thereof, shall be given to each stockholder entitled to vote thereat, at least ten days (but no more than fifty days) before the date fixed for the meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 8. The holders of a majority of the stock issued and outstanding and entitled to vote on any matter to be considered thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Articles of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote on any matter to be considered thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power with respect to any question present in person or represented by proxy shall decide such question brought before such meeting, unless the question is one upon which, by express provision of statute or of the Articles of Incorporation or these Bylaws, a different vote is required, in which case such express provision shall govern and control the decisions of such question.

Section 10. Each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, except as may otherwise be specified by the Articles of Incorporation. The Board of Directors may establish such reasonable record dates for determining stockholders entitled to notice of a meeting and to vote thereat, and for other purposes, as may be consistent with applicable law, as contemplated by Article VI, Section 5 hereof. No proxy shall be effective unless in writing and in compliance with (i) applicable law and (ii) such reasonable requirements as the Board of Directors may prescribe.

Section 11. Any action required or permitted to be taken at a meeting of stockholders may be effected by an instrument in writing setting forth such action, executed by each stockholder entitled to vote thereon, which instrument shall be filed at the principal office of the Corporation or with the minutes maintained for meetings of stockholders.

### ARTICLE III

#### DIRECTORS

Section 1. The number of directors shall be fixed from time to time by resolution of the Board of Directors within the limits (if any) prescribed by the Articles of Incorporation. The directors shall be elected at the annual meeting of stockholders, or by unanimous written consent of stockholders (in accordance with Article II hereof), except as provided in Section 2 of this Article; and each director elected shall hold office until his successor is elected and shall qualify. Directors need not be stockholders. Subject to the limitations imposed by applicable law, a majority of the stockholders entitled to vote generally may remove a director at any time, with or without cause.

Section 2. Vacancies, by death, resignation, removal or otherwise, and newly created directorships resulting from any increase in the authorized number of directors, may be filled by a majority of the directors then in office, though less than a quorum; and the director(s) so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced.

Section 3. The business of the Corporation shall be managed by its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and

things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the stockholders.

#### MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Arizona; and such meetings may be held by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to such communication shall constitute presence in person at such meeting.

Section 5. The first meeting of each newly elected Board of Directors shall be held at the same place as, and immediately after, the annual meeting of stockholders. No notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event such meeting is not held at such time and place, or in the event a unanimous written consent of stockholders shall be filed in lieu of the annual meeting of stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

Section 6. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board.

Section 7. Special meetings of the Board of Directors may be called by the President and shall be called by the Secretary upon the written request of a majority of the Board of Directors. Notice of special meetings of the Board of Directors shall be given to each director at least three (3) days before the time of the meeting. Attendance at a meeting by a director shall constitute a conclusive waiver of any objections made by any person with respect to the notice given to such director unless such attendance shall be solely for the purpose of objection.

Section 8. At all meetings of the Board, a majority of the total number of directors shall constitute a quorum for the transaction of business, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Articles of Incorporation or these Bylaws. If a quorum shall not be present



at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

Section 9. Any action required or permitted to be taken at a meeting of Directors may be effected by an instrument in writing setting forth such action, executed by each Director, which instrument shall be filed at the principal office of the Corporation or with the minutes maintained for meetings of Directors.

#### COMMITTEES OF DIRECTORS

Section 10. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of two or more of the directors of the Corporation, which (to the extent provided in the resolution, subject to the Articles of Incorporation and applicable law) shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

Section 11. The committees shall keep regular minutes of their proceedings and report the same to the Board of Directors when required.

#### COMPENSATION OF DIRECTORS

Section 12. The directors may be paid their expenses, if any, of attending meetings of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or stated salaries as directors. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may similarly be allowed compensation for attending committee meetings.

## ARTICLE IV

### NOTICES

Section 1. Except as otherwise provided herein, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the Corporation. Notice by mail shall be deemed to be given three days after the time when the same shall be mailed, postage prepaid, to such addresses. Notice to directors may be given by telegram or telephone.

Section 2. Any notice required to be given under the provisions of applicable law or of the Articles of Incorporation or of these Bylaws may be waived in writing, either before or after the event requiring such notice, provided such waiver is signed by the person or persons entitled to said notice.

## ARTICLE V

### OFFICERS

Section 1. The officers of the Corporation shall be chosen by the Board of Directors and shall be a president, one or more vice presidents, a secretary and a treasurer. The Board of Directors may also choose a chairman of the Board and one or more assistant secretaries and assistant treasurers. Two or more offices may be held by the same person; provided, however, that the same person shall not simultaneously hold the offices of president and secretary.

Section 2. The Board of Directors at its first meeting after each annual meeting of stockholders (or pursuant to a unanimous consent in lieu thereof) shall choose a president from among the directors, and shall choose one or more vice-presidents, a secretary and a treasurer, none of whom need be a member of the Board.

Section 3. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 4. The salaries of all officers and agents of the Corporation shall be fixed by the Board of Directors.

Section 5. The officers of the Corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed, with or without cause, at any time by the affirmative

vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise shall be filled by the Board of Directors.

THE PRESIDENT;  
CHAIRMAN OF THE BOARD OF DIRECTORS

Section 6. The President shall be the chief executive officer of the Corporation, shall preside at all meetings of the stockholders and the Board of Directors, shall be ex officio a member of all standing committees and shall have general and active management of the business of the Corporation.

Section 7. He may execute all bonds, mortgages and other contracts in the ordinary course of the business of the Corporation and such other bonds, mortgages and other contracts as shall be delegated by the Board of Directors. Unless the Board of Directors specifies otherwise, the President shall have authority to vote (or grant a proxy with respect to) any securities held or owned by the Corporation.

Section 8. In the event the Board of Directors elects a Chairman of the Board of Directors who is not also the President, he shall have all the powers of the President in the President's absence or inability to act and such other powers as the Board of Directors shall designate.

THE VICE-PRESIDENTS

Section 9. The Vice-Presidents in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President and Chairman of the Board of Directors, if there be one, perform the duties and exercise the powers of the President. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE SECRETARY AND ASSISTANT SECRETARIES

Section 10. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of such meetings in a book or books to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, required notices of all meetings of the stockholders and the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the seal of the Corporation and, when authorized

by the Board of Directors, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his signature or by the signature of the Treasurer or an Assistant Secretary. He shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 11. The Assistant Secretaries in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

#### THE TREASURER AND ASSISTANT TREASURERS

Section 12. The Treasurer shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 13. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

Section 14. If required by the Board of Directors, he shall give the Corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 15. The Assistant Treasurers in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer.

They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

## ARTICLE VI

### CERTIFICATES OF STOCK

Section 1. Every holder of stock in the Corporation shall be entitled to have a certificate, signed by, or in the name of the Corporation by, the President or a Vice-President and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certifying the number of shares owned by him in the Corporation. If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class of stock, the powers, designations, preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the Corporation shall issue to represent such class or series of stock; provided, however, that except as otherwise provided by applicable law, in lieu of the foregoing requirements, there may be set forth on the face or back of a certificate a statement to the effect that the Corporation will furnish such a summary or description without charge upon written request by any stockholder or other interested person.

Section 2. Where a certificate is signed (1) by a transfer agent or an assistant transfer agent or (2) by a transfer clerk acting on behalf of the Corporation and a registrar, the signature of any President, Vice-President, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary may be facsimile. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the Corporation, such certificate or certificates may nevertheless be adopted by the Corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the Corporation.

### LOST CERTIFICATES

Section 3. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of

a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to give the Corporation such indemnity as it may direct against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

#### TRANSFERS OF STOCK

Section 4. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, the Corporation shall issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

#### CLOSING OF TRANSFER BOOKS; RECORD DATES

Section 5. The Board of Directors may close the stock transfer books of the Corporation for a period not exceeding fifty (50) days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period of not exceeding fifty days in connection with obtaining the consent of stockholders for any purpose. In lieu of closing the stock transfer books as aforesaid, the Board of Directors may fix in advance a date, not more than sixty (60) days preceding the date of any meeting of stockholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or the date of any other lawful action, or a date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or to receive payment of any such dividend, or to receive any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, and in such case each such stockholder and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to express such consent, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any such record date fixed as aforesaid.

## REGISTERED STOCKHOLDERS

Section 6. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, to vote as such owner, and for all other purposes; and the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Arizona.

## ARTICLE VII

### GENERAL PROVISIONS

#### DIVIDENDS

Section 1. Dividends upon the capital stock of the Corporation, subject to the provisions of the Articles of Incorporation (or of any resolution of the Board of Directors establishing any series of any class of stock adopted pursuant to the provisions of the Articles of Incorporation), if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Articles of Incorporation and applicable law.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, equalize dividends, or to repair or maintain any property of the Corporation, and for such other purpose as the directors shall determine to be in the best interests of the Corporation. The directors may modify or abolish any such reserve in the manner in which it was created.

#### CHECKS

Section 3. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

#### FISCAL YEAR

Section 4. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

#### SEAL

Section 5. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and

the words "Corporate Seal, Arizona." The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

#### LOANS TO DIRECTORS, OFFICERS OR EMPLOYEES

Section 6. The Corporation shall not make any loan to a director, or guarantee any indebtedness of a director or otherwise use its credit to assist a director, without the express authorization by the stockholders in each particular case. The Board of Directors may authorize the Corporation to make a loan to any officer or employee of the Corporation (including any director who is also an employee), or to guarantee indebtedness of or otherwise use its credit to assist such officer or employee, if the Board determines that the same may be reasonably expected to benefit the Corporation; any resolution properly adopted by the Board authorizing a loan to any officer or employee by the Corporation (or authorizing any such guarantee or use of credit) shall conclusively evidence such a determination by the Board, whether or not expressed therein.

#### INTERPRETATIONS

Section 7. To the extent permitted by the context in which used, words in the singular number shall include the plural, words in the masculine gender shall include the feminine and neuter, and vice versa.

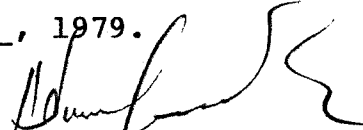
Section 8. Captions used herein are for convenience only and are not a part of these Bylaws and shall not be deemed to limit or alter any provisions hereof and shall not be deemed relevant in construing these Bylaws.

#### ARTICLE VIII

##### AMENDMENTS

Section 1. These Bylaws may be altered or repealed at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration or repeal be contained in the notice of such special meeting.

ADOPTED AS OF \_\_\_\_\_, 1979.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary



**Superior  
Surveying  
Services, Inc.**

PROFESSIONAL LAND SURVEYING IN ARIZONA

Randy S. Delbridge, President

21415 North 23rd Avenue  
Phoenix, Arizona 85027  
(623) 869-0223 Fax (623) 869-0726

Member A.C.S.M., A.P.L.S., G.L.I.S.

Job Number: 250709

August 10, 2005

**DESCRIPTION OF SCHOOL PARCEL FOR VERDE VALLEY SCHOOL,  
3511 VERDE VALLEY SCHOOL ROAD, YAVAPAI COUNTY, ARIZONA**

A portion of the South half of Section 35, Township 17 North, Range 5 East and a portion of the North half of Section 10, Township 16 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, being more particularly described as follows:

BEGINNING at a USDAFS Aluminum Cap set in concrete marking the Northwest corner of the Northeast quarter of the Southwest quarter of the Southwest quarter of said Section 35 from which a USDAFS Aluminum Cap marking the Southwest corner of the Southeast quarter of the Southwest quarter of the Southeast quarter of the Southwest quarter of said Section 35 bears South 00 degrees 53 minutes 55 seconds West 2057.45 feet said line being the basis of bearings for this description;

THENCE South 89 degrees 02 minutes 05 seconds East 1439.52 feet;

THENCE South 00 degrees 31 minutes 17 seconds West 1107.77 feet;

THENCE South 61 degrees 30 minutes 14 seconds West 524.32 feet to the North-South Mid-Section line of said Section 35;

THENCE South 00 degrees 31 minutes 17 seconds West 978.04 feet along said North-South Mid-Section line and its Southerly extension to the South line of GLO Lot 6 of said Section 10;

THENCE South 89 degrees 48 minutes 13 seconds West 217.28 feet along said South line;

THENCE South 00 degrees 31 minutes 17 seconds West 330.67 feet;

THENCE South 89 degrees 47 minutes 38 seconds West 472.43 feet;

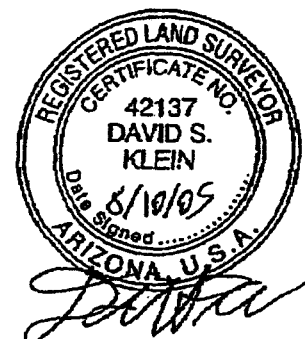
THENCE South 89 degrees 48 minutes 06 seconds West 330.34 feet;

THENCE North 00 degrees 12 minutes 34 seconds West 637.14 feet to the Northeast corner of GLO Lot 7 of said Section 10;

THENCE North 89 degrees 56 minutes 45 seconds East 33.58 feet along the North line of said GLO Lot 7 to a USDAFS Aluminum Cap marking the Southwest corner of the Southeast quarter of the Southwest quarter of the Southeast quarter of the Southwest quarter of said Section 35;

THENCE North 00 degrees 53 minutes 55 seconds East 2057.45 feet to the POINT OF BEGINNING.

COMPRISING 72.769 acres or 3,169,833 square feet more or less, subject to all easements of record.



**Superior  
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Phoenix, Arizona 85027  
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Member A.C.S.M., A.P.L.S., G.L.I.S.

Page 1 of 2  
August 10, 2005

Job Number: 250709

**DESCRIPTION OF RESIDENTIAL PARCEL AT VERDE VALLEY SCHOOL,  
3511 VERDE VALLEY SCHOOL ROAD, YAVAPAI COUNTY, ARIZONA**

A portion of the South half of Section 35, Township 17 North, Range 5 East and a portion of the North half of Section 10, Township 16 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, being more particularly described as follows:

COMMENCING at a USDAFS Aluminum Cap set in concrete marking the Northwest corner of the Northeast quarter of the Southwest quarter of the Northeast quarter of the Southwest quarter of said Section 35 from which a USDAFS Aluminum Cap marking the Southwest corner of the Southeast quarter of the Southwest quarter of the Southeast quarter of the Southwest quarter of said Section 35 bears South 00 degrees 53 minutes 55 seconds West 2057.45 feet said line being the basis of bearings for this description;

THENCE South 89 degrees 02 minutes 05 seconds East 1439.52 feet to the POINT OF BEGINNING;

THENCE continuing South 89 degrees 02 minutes 05 seconds East 477.24 feet to the beginning of a non-tangent curve to the right the center of which bears South 05 degrees 36 minutes 30 seconds West 368.30 feet;

THENCE along the arc of said non-tangent curve to the left through a central angle of 60 degrees 38 minutes 34 seconds, an arc distance of 389.81 feet;

THENCE South 23 degrees 44 minutes 59 seconds East 6.36 feet to the beginning of a tangent curve to the right having a radius of 1382.40 feet;

THENCE along the arc of said curve through a central angle of 11 degrees 17 minutes 40 seconds, an arc distance of 272.51 feet;

THENCE South 35 degrees 02 minutes 39 seconds East 244.68 feet to the beginning of a tangent curve to the right having a radius of 622.96 feet;

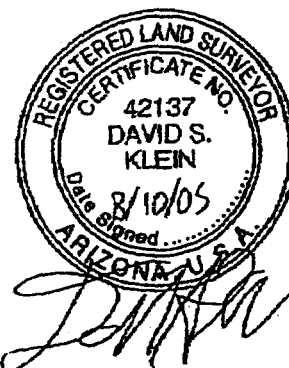
THENCE along the arc of said curve through a central angle of 15 degrees 33 minutes 55 seconds, an arc distance of 169.24 feet;

THENCE South 19 degrees 28 minutes 44 seconds East 570.56 feet to the beginning of a tangent curve to the left having a radius of 299.11 feet;

THENCE along the arc of said curve through a central angle of 26 degrees 46 minutes 10 seconds, an arc distance of 139.75 feet;

THENCE South 07 degrees 17 minutes 26 seconds West 169.75 feet to the beginning of a tangent curve to the right having a radius of 268.31 feet;

THENCE along the arc of said curve through a central angle of 43 degrees 25 minutes 05 seconds, an arc distance of 203.32 feet;



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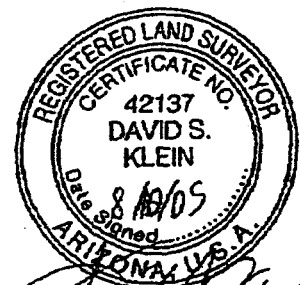
Job Number: 250709

Page 2 of 2  
August 10, 2005

**DESCRIPTION OF RESIDENTIAL PARCEL AT VERDE VALLEY SCHOOL,  
3511 VERDE VALLEY SCHOOL ROAD, YAVAPAI COUNTY, ARIZONA**

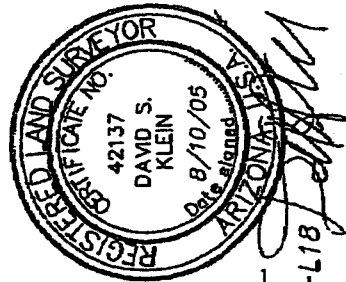
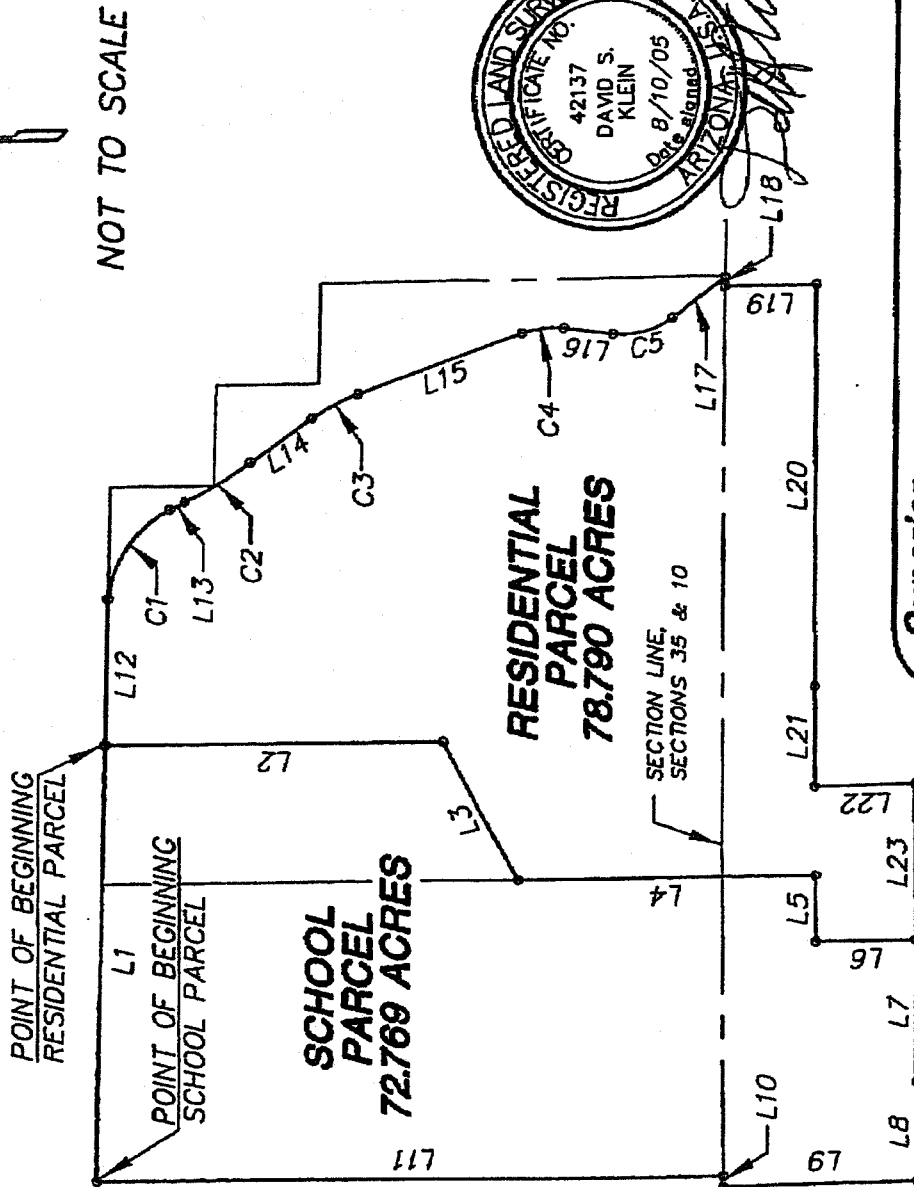
THENCE South 36 degrees 07 minutes 39 seconds East 217.00 feet to the South line of the Southeast quarter of said Section 35;  
THENCE South 89 degrees 58 minutes 04 seconds West 28.72 feet along said South line;  
THENCE South 00 degrees 08 minutes 18 seconds East 298.94 feet to the Southeast corner of GLO Lot 5 of said Section 10;  
THENCE South 89 degrees 49 minutes 54 seconds West 1319.45 feet along the South line of said Lot 5 to the Southeast corner of GLO Lot 6 of said Section 10;  
THENCE South 89 degrees 48 minutes 13 seconds West 329.86 feet along the South line of said Lot 6;  
THENCE South 00 degrees 12 minutes 21 seconds East 330.55 feet;  
THENCE South 89 degrees 47 minutes 38 seconds West 516.92 feet;  
THENCE North 00 degrees 31 minutes 17 seconds East 330.67 feet;  
THENCE North 89 degrees 48 minutes 13 seconds East 217.28 feet to the Southerly extension of the North-South Mid-Section line of said Section 35;  
THENCE North 00 degrees 31 minutes 17 seconds East 978.04 feet along said Mid-Section line;  
THENCE North 61 degrees 30 minutes 14 seconds East 524.32 feet;  
THENCE North 00 degrees 31 minutes 17 seconds East 1107.77 feet to the POINT OF BEGINNING.

COMPRISING 78.790 acres or 3,432,075 square feet more or less, subject to all easements of record.



# EXHIBIT

OF VERDE VALLEY SCHOOL, 3511  
VERDE VALLEY SCHOOL ROAD,  
YAVAPAI COUNTY, ARIZONA



LINE TABLE		
LINE	BEARINGS	LENGTH
L1	S 89°02'05" E	1439.52'
L2	S 00°31'17" W	1107.77'
L3	S 61°30'14" W	524.32'
L4	S 00°31'17" W	978.04'
L5	S 89°48'13" W	217.28'
L6	S 00°31'17" W	330.67'
L7	S 89°47'38" W	472.43'
L8	S 89°48'06" W	330.34'
L9	N 00°12'34" W	637.14'
L10	N 89°56'45" E	33.58'
L11	N 00°53'55" E	2057.45'
L12	S 89°02'05" E	477.24'
L13	S 23°44'59" E	6.36'
L14	S 35°02'39" E	244.68'
L15	S 19°28'44" E	570.56'
L16	S 07°17'26" W	169.75'
L17	S 36°07'39" E	217.00'
L18	S 89°58'04" W	28.72'
L19	S 00°08'18" E	298.94'
L20	S 89°49'54" W	1319.45'
L21	S 89°48'13" W	329.86'
L22	S 00°12'21" E	330.55'
L23	S 89°47'38" W	516.92'

CURVE TABLE		
CURVE	RADIUS	DELTA
C1	368.30'	60°38'34"
C2	1382.40'	11°17'40"
C3	622.96'	15°33'55"
C4	299.11'	26°46'10"
C5	268.31'	43°25'05"

NOTE: THIS EXHIBIT IS INTENDED TO  
ACCOMPANY A DESCRIPTION, IT  
IS NOT A SURVEY AND SHOULD  
NOT BE CONSTRUED AS SUCH.

**Superior  
Surveying  
Services, Inc.**

21415 North 23rd Avenue  
Phoenix, Arizona 85027  
Phone (602) 869-0223  
Fax (602) 869-0726

PROFESSIONAL LAND SURVEYING - ARIZONA, CALIFORNIA, NEVADA  
ARIZONA NO. 18214 - CALIFORNIA NO. 18080 - NEVADA NO. 7880

DATE: 8/10/05 REVISED:

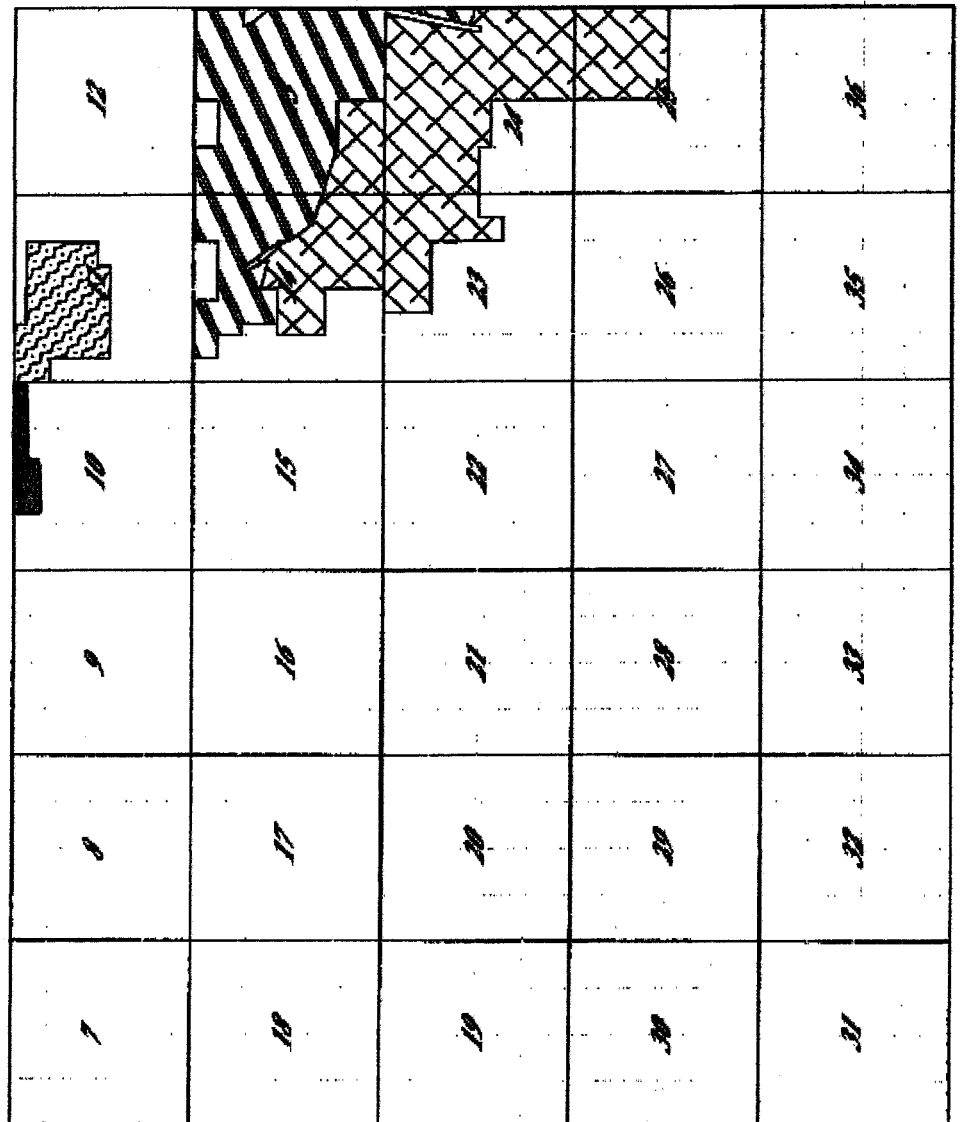
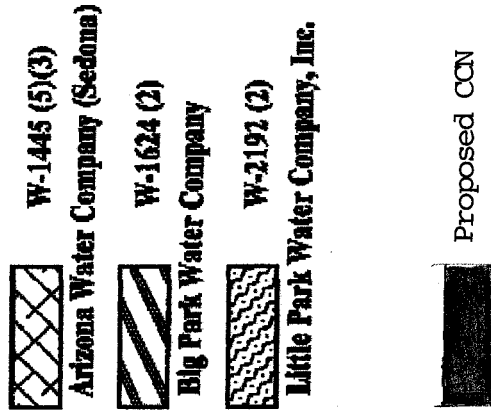
JOB NO.: 260709

Map No. 32

# COUNTY: Yavapai












## RANGE 5 East

## TOWNSHIP 16 North



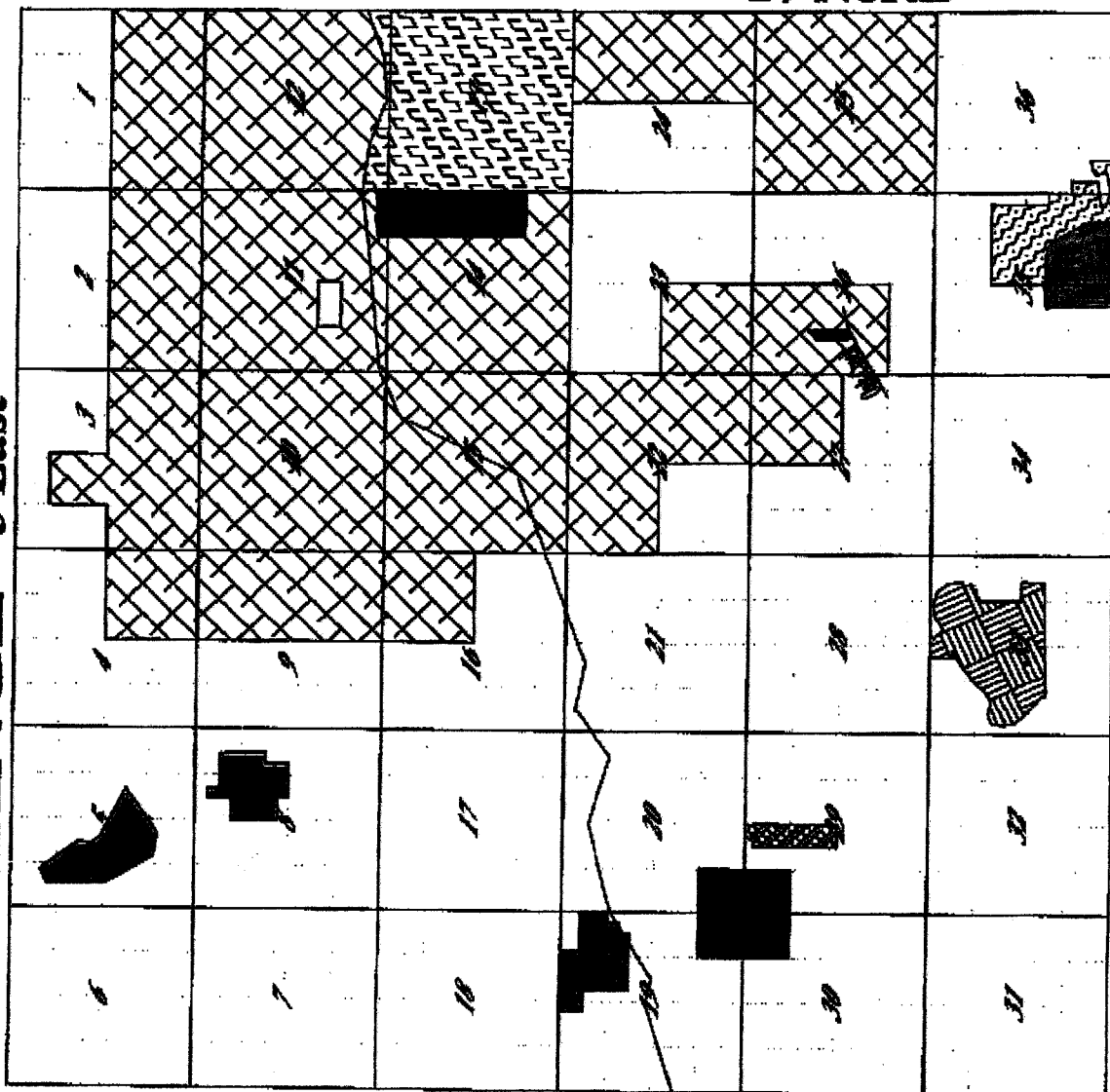
Map No. 36

**COUNTY: Yavapai****RANGE 5 East****TOWNSHIP 17 North**

	W-1445 (5)(3)
	Arizona Water Company (Sedona)
	W-4131 (1)
	Cross Creek Ranch Water Company
	W-2192 (2)
	Little Park Water Company
	W-2624 (1)
	Michaels Ranch Water Users' Assoc.
	W-1392 (1)
	Oak Creek Water Company No. 1
	WS-3449 (1)
	MHC Operating Limited Partnership dba Sedona Venture Water & Sewer Company
	W-4291 (1)
	Aerie Conservancy Adjudicated 'Not a Public Service Corporation'
	(1)
	City of Sedona (Nonjurisdictional)
	(1)
	Red Rock Crossing Mobile Village, Inc. (Nonjurisdictional)
	(1)
	Red Rock Water Cooperative, Inc. Adjudicated 'Not a Public Service Corporation'
	

PROPOSED CCN

TET/MSB 01 JUN 2005



CS-5

**ATTACHMENT "B"**

Yavapai	35	17N	05E
COUNTY	SECTION	TOWNSHIP	RANGE

6		5		4	
				3	
					2
					1
7		8		9	
				1 0	
				1 1	
					1 2
1 8		1 7		1 6	
				1 5	
				1 4	
					1 3
1 9		2 0		2 1	
				2 2	
				2 3	
					2 4
3 0		2 9		2 8	
				2 7	
				2 6	
					2 5
3 1		3 2		3 3	
				3 4	
				3 5	
					3 6

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CS-5

**ATTACHMENT "B"**

Yavapai	10	16N	05E
COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	1 0	1 1	1 2
1 8	1 7	1 6	1 5	1 4	1 3
1 9	2 0	2 1	2 2	2 3	2 4
3 0	2 9	2 8	2 7	2 6	2 5
3 1	3 2	3 3	3 4	3 5	3 6

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3:14 PM

05/01/07

Accrual Basis

# Little Park Water Company Balance Sheet As of December 31, 2006

	Dec 31, 06
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
131-10 · Cash Chase Bank-LPW	5,093.44
131-70 · CB Arsenic Impact Fee Deposits	9,914.44
<b>Total Checking/Savings</b>	<u>15,007.88</u>
<b>Total Current Assets</b>	15,007.88
<b>Fixed Assets</b>	
103-00 · Prop Future Use - Nemeth Well	5,645.31
105-03 · Arsenic Remediation Costs	774.99
105-72 · LPWC ADEQ Compliance	450.92
108-10 · Accumulated Depreciation	-189,840.09
114-00 · Plant Acquisition Adj	-288.30
303-00 · Land and Land Rights	6,094.11
304-00 · Structures & Improvements	24,279.71
307-00 · Wells and Springs	28,472.82
311-00 · Pumping Equipment	39,245.57
330-00 · Distribution Reservoirs	22,979.16
331-00 · Trans & Distribution Mains	512,584.53
333-00 · Services	72,407.74
334-00 · Meters & Meter Installations	6,499.42
335-00 · Hydrants	31,868.24
<b>Total Fixed Assets</b>	<u>561,174.13</u>
<b>Other Assets</b>	
141-00 · Accounts Receivable - Customers	2,644.60
162-50 · Prepaid Taxes	300.00
186-00 · CC&N Expansion	1,676.71
<b>Total Other Assets</b>	<u>4,621.31</u>
<b>TOTAL ASSETS</b>	<u><u>580,803.32</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
231-00 · Accounts Payable	500.51
<b>Total Accounts Payable</b>	<u>500.51</u>
<b>Other Current Liabilities</b>	
223-00 · Advances from BPW	109,888.70
236-10 · Accrued Property Taxes	534.56
236-20 · Accrued Sales Tax - LPW	638.47
252-10 · Advances in Aid of Construction	495,162.92
252-20 · AIAOC - Current	300.00
255-10 · Customer Meter Deposits	5,882.50
255-20 · Meter Deposits Long Term	-1,195.00
270-10 · Contribution in Aid of Constr.	38,160.65
270-20 · Accum. Amort of CIAOC	-11,156.40
270-50 · CIAOC - Arsenic Impact Fee	9,900.00
<b>Total Other Current Liabilities</b>	<u>648,116.40</u>
<b>Total Current Liabilities</b>	<u>648,616.91</u>
<b>Total Liabilities</b>	648,616.91
<b>Equity</b>	
200-10 · Common Stock	10,000.00
211-10 · Additional Paid In Capital	9,802.07
215-00 · Retained Earnings	-59,078.83
215-99 · Retained Earnings QB	-25,699.51
Net Income	-2,837.32
<b>Total Equity</b>	<u><u>-67,813.59</u></u>

3:14 PM

05/01/07

Accrual Basis

**Little Park Water Company**

**Balance Sheet**

**As of December 31, 2006**

**TOTAL LIABILITIES & EQUITY**

**Dec 31, 06**

**580,803.32**

3:13 PM

05/01/07

Accrual Basis

**Little Park Water Company**  
**Profit & Loss**  
 January through December 2006

	<u>Jan - Dec 06</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
460-05 · Establishment Fees	20.00
461-10 · Residential Water Sales	46,378.22
464-10 · Residential Sales Tax	2,877.22
465-10 · Residential Use Tax	84.38
<b>Total Income</b>	<u>49,359.82</u>
<b>Expense</b>	
402-00 · Amortization of CIAOC	-5,400.00
403-10 · Depreciation Expense	28,800.00
426-00 · Nonutility Expense	-576.60
601-10 · Wages Operations	7,200.64
601-20 · Salaries & Wages Repairs	1,655.54
601-50 · Meter Reading	420.00
610-10 · Purchased Water	1,418.14
615-10 · Purchased Power	7,394.10
618-10 · Water Analysis	815.22
620-10 · Repairs & Maintenance	450.00
630-10 · Engineering Services	1,820.00
630-20 · Accounting Services	1,300.00
640-10 · Office Supplies & Expense	1,315.76
656-10 · Insurance	546.00
667-10 · ACC Expense	45.00
680-10 · Sales Tax	3,285.66
680-20 · Use Tax	103.08
680-30 · Property Tax	1,800.00
<b>Total Expense</b>	<u>52,392.54</u>
<b>Net Ordinary Income</b>	-3,032.72
<b>Other Income/Expense</b>	
<b>Other Income</b>	
419-30 · Int Inc - Arsenic Fee Deposits	11.35
420-30 · AFUDC - Arsenic Remediation	184.05
<b>Total Other Income</b>	<u>195.40</u>
<b>Net Other Income</b>	<u>195.40</u>
<b>Net Income</b>	<u><u>-2,837.32</u></u>

**ORIGINAL**

Applies to all service areas

**STATEMENT OF CHARGES**  
**WATER SERVICE****RATES**

In Opinion and Order No. 57212, dated January 16, 1991, the Commission approved the following rates and charges to become effective with February 1, 1991 usage and March 1, 1991 billings:

<u>Meter Size</u>	<u>Usage Included in Minimum Charge</u>	<u>Minimum Charge</u>
Inches	Gallons	Per Month
<b>A. <u>General Residential Service</u></b>		
5/8" x 3/4" Meter	1,000	\$ 15.00
3/4" Meter	1,000	22.50
1" Meter	1,000	37.50
1 1/2" Meter	1,000	75.00
2" Meter	1,000	100.00
3" Meter	1,000	200.00
4" Meter	1,000	400.00
6" Meter	1,000	600.00

THE RATE FOR USE IN ADDITION TO THE MINIMUM STATED ABOVE SHALL BE THE SAME FOR ALL SIZES OF METERS. ALL ADDITIONAL USAGE SHALL BE AT THE RATE OF \$2.00 PER 1,000 GALLONS.

Issued February 27, 1991

Effective February 1, 1991

## ISSUED BY:

Zora Poe, President  
Little Park Water Company  
45 Castle Rock Road, No. 4  
Sedona, Arizona 86336

APPROVED FOR FILING  
IN COMPLIANCE WITH  
DECISION #: 57212

**ORIGINAL**

Applies to all service areas

**STATEMENT OF CHARGES**  
**WATER SERVICE****TAXES AND ASSESSMENTS**

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

**ADDITIONAL CHARGES**

- |    |   |                   |
|----|---|-------------------|
| A. | Establishment of Service per Rule R14-2-403D<br>(new customer charge, in addition to E, F, L,<br>and M below) | \$ 20.00          |
| B. | Re-establishment of Service per Rule R14-2-403D<br>(same customer, same location within 12 months)            | Note <sup>1</sup> |
| C. | Reconnection of Service per Rule R14-2-403C<br>(after disconnection due to delinquency)                       | 20.00             |
| D. | Charge for moving meter at customer request<br>per Rule R14-2-405B  | Cost <sup>2</sup> |
| E. | After hours service charge, per Rule R14-2-403D   | 25.00             |

<sup>1</sup> Number of months off system times the sum of the monthly minimum.

<sup>2</sup> See Sheet No. 5.

Issued February 27, 1991

Effective February 1, 1991

ISSUED BY:

Zora Poe, President  
Little Park Water Company  
45 Castle Rock Road, No. 4  
Sedona, Arizona 86336

APPROVED FOR FILING  
IN COMPLIANCE WITH  
DECISION #: 57212

**ORIGINAL**

Applies to all service areas

**STATEMENT OF CHARGES**  
**WATER SERVICE**

**F. Minimum Deposit Requirement**  
**per Rule R14-2-403B**

1. Residential customer

(2 times estimated  
average monthly bill)

2. Non-residential customer

(2-1/2 times estimated  
maximum monthly bill)

3. Deposit Interest

6%

G. Meter test per Rule R14-2-408F

\$ 30.00

H. Meter Reread per Rule R14-2-408C

15.00

I. Charge for NSF Check per Rule R14-2-409F

15.00

J. Deferred Payment Finance Charge, per month

1-1/2%

K. Late Payment, Per Month

5.00

Issued February 27, 1991

Effective February 1, 1991

ISSUED BY:

Zora Poe, President  
Little Park Water Company  
45 Castle Rock Road, No. 4  
Sedona, Arizona 86336

APPROVED FOR FILING  
IN COMPLIANCE WITH  
DECISION #: 57212

**ORIGINAL**

Applies to all service areas

**STATEMENT OF CHARGES**  
**WATER SERVICE****L. Service Line Tariff and Meter Advance Policy,**  
**Refundable per Rule R14-2-405B:**

5/8" x 3/4" Meter	\$ 300.00
3/4" Meter	325.00
1" Meter	350.00
1 1/2" Meter	500.00
2" Meter	675.00
3" Meter	875.00
4" Meter	1,500.00
6" Meter	3,200.00

**M. Main Extension Tariff, per Rule R14-2-406B**Cost <sup>3</sup>

<sup>3</sup> See Sheet No. 5.

Issued February 27, 1991

Effective February 1, 1991

## ISSUED BY:

Zora Poe, President  
Little Park Water Company  
45 Castle Rock Road, No. 4  
Sedona, Arizona 86336

APPROVED FOR FILING  
IN COMPLIANCE WITH  
DECISION #: 57212

**ORIGINAL**

Applies to all service areas

PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any State or Federal income taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

Issued February 27, 1991

Effective February 1, 1991

ISSUED BY:

Zora Poe, President  
Little Park Water Company  
45 Castle Rock Road, No. 4  
Sedona, Arizona 86336

APPROVED FOR FILING  
IN COMPLIANCE WITH  
DECISION #: 57212



**ORIGINAL**

Applies to all service areas

STATEMENT OF TERMS AND CONDITIONS**A. Interruptible Service; Company's Liability Limitations**

The Company will exercise reasonable diligence to provide continuous water service to fire hydrant and interior fire sprinkler service customers. Fire Protection Service is conditioned upon the express understanding that THE COMPANY DOES NOT GUARANTEE OR INSURE UNINTERRUPTED OR REGULAR WATER SERVICE, NOR DOES THE COMPANY REPRESENT THE PRESENCE OF ADEQUATE PRESSURE, VOLUME, OR FIRE FLOW AVAILABLE ANYWHERE ON ITS WATER SYSTEM BY OFFERING FIRE PROTECTION SERVICE AS SPECIFIED HEREIN.

Fire Protection Service is further conditioned on the Fire Protection Service Customer agreeing TO HOLD HARMLESS AND INDEMNIFY THE COMPANY from and against any and all liability, loss, damage or expense the Company may incur as a result of claims, demands, costs or judgment against the Company including, but not limited to, loss of or damage to property or injury or to death of persons, arising, directly or indirectly, out of the Company's providing of water service, or any activities or operations related thereto, or any breach by the Fire Protection Service Customer of the terms, covenants or conditions of this Tariff Schedule. The Company shall be entitled to recover its reasonable attorneys' fees should the Fire Protection Service Customer fail to comply with this provision. This provision applies to, and regardless of, any negligence or alleged negligence on the part of the Company, its employees, servants or agents.

Issued February 27, 1991

Effective February 1, 1991

## ISSUED BY:

Zora Poe, President  
Little Park Water Company  
45 Castle Rock Road, No. 4  
Sedona, Arizona 86336

APPROVED FOR FILING  
IN COMPLIANCE WITH  
DECISION #: 57212

**ORIGINAL**

Applies to all service areas

STATEMENT OF TERMS AND CONDITIONS

B. Rules and Regulations

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.C.R.R. R14-2-401 through A.C.R.R. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

Issued February 27, 1991

Effective February 1, 1991

ISSUED BY:

Zora Poe, President  
Little Park Water Company  
45 Castle Rock Road, No. 4  
Sedona, Arizona 86336

APPROVED FOR FILING  
IN COMPLIANCE WITH  
DECISION #: 57212

Yavapai Co Public Works

Go Laura  
Intro Steve

3180606 BR 359L

Yavapai County

Attachment 8

Patsy Jenney-Co.

08/24/99 02:25

YAVAPAI CO PUBLIC WORKS

RECORDING FEE 0.00

SURCHARGE 0.00

POSTAGE 0.00

**BEFORE THE BOARD OF SUPERVISORS**

**OF**

**YAVAPAI COUNTY, ARIZONA**

In the Matter of the Application of )

Little Park Water Company )

a subsidiary of Big Park Water Company )

) **FRANCHISE**

for a water franchise )

WHEREAS, **Little Park Water Company (a subsidiary of Big Park Water Company)** filed its application pursuant to A.R.S. §40-283, for a water franchise to construct and/or maintain and operate water lines for a period of fifteen (15) years, along, upon, under and across public highways, roads, alleys and thoroughfares (excepting State Highways) within that portion of Yavapai County, Arizona, described as follows:

**EXHIBIT A**

**LEGAL DESCRIPTION**

**BIG PARK WATER COMPANY  
LITTLE PARK WATER COMPANY**

**Little Park Water Company**

S 35 – T17N – R5E

S 36 – T17N – R5E

S 10 – T16N – R5E

S 11 – T16N – R5E

**Big Park Water Company**

Section 13, NE ¼, NW ¼, SW ¼ and SE ¼, Township 16 North, Range 5 East.

Section 14, NE ¼, NW ¼ and SE ¼, Township 16 North, Range 5 East.

Section 7, SE ¼, Township 16 North, Range 6 East.

Section 8, SW ¼, Township 16 North, Range 6 East.

Section 17, NW ¼, SW ¼ and SE ¼ Township 16 North, Range 6 East.

Section 18, NE ¼, NW ¼, SW ¼ and SE ¼, Township 16 North, Range 6 East.

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Franchise Agreement  
Little Park Water Company  
(Big Park Water Company)

Section 19, NW ¼, Township 16 North, Range 6 East.  
Section 24, Portion of NE ¼, Easterly of Highway 179 right of way, Township 16 North,  
Range 5 East.

and that said subdivision is contiguous to a portion of the area described in Exhibit A  
above which area is not within the limits of any incorporated city or town, and,

WHEREAS, this is the time and place set for hearing of said application and due  
and regular notice was given by publication of notice once a week for three consecutive  
weeks prior to this time of hearing and proof of publication has been filed herein, and

WHEREAS, all protests to granting such application have been considered, the  
Board of Supervisors of Yavapai County, Arizona, hereby grants to the Little Park  
Water Company (a subsidiary of Big Park Water Company) the right, privilege, license  
and franchise to construct, maintain and operate water delivery systems for a period of  
fifteen (15) years from the date hereof, along, upon, under and across the public  
highways of Yavapai County, Arizona, within the above described area of Yavapai  
County, which area is not within the limits of any incorporated city or town, upon the  
following terms and conditions:

### **RESTRICTIONS AND LIMITATIONS**

1. All rights and privileges hereunder are granted under the express  
condition that the Board of Supervisors shall have the power at any time to impose  
such additional and further restrictions and limitations and to make such regulations on  
such highways, roads, thoroughfares, alleys, and public ways as may be deemed best  
for the public safety, welfare and convenience. No construction of improvements within  
a County road right-of-way shall be made without a permit from the Yavapai County  
Engineer first being obtained.
2. Grantor will notify Grantee if Grantor determines that any lines are located  
at a depth which interferes with road maintenance. Any such lines shall be buried at a  
sufficient depth upon receipt of notice. In the event that water lines must be relocated  
due to road construction or because of inadequate depth, the Grantee shall bear the  
cost of such relocation.
3. All rights and privileges hereunder shall be exercised so as to not  
interfere or conflict with any easements or rights-of-way heretofore

Page 3 / August 16, 1999  
Franchise Agreement  
Little Park Water Company  
(Big Park Water Company)

granted by said Board of Supervisors and now in force.

4. All equipment and facilities constructed, installed, erected, used and maintained under this franchise shall in all respects be adequate, sufficient and substantial in design and workmanship and shall be so located, erected and maintained so as not to interfere with the free and full use and enjoyment of the public and so not to endanger life or property.

5. All rights and privileges hereunder shall be exercised so as not to interfere or conflict with any easement, either public or private, of whatsoever nature, which has been acquired in or to the proper use of said highways, roads, thoroughfares, alleys and public ways, or any portion thereof.

6. Grantee shall bear all expenses, including damages and compensation to any aggrieved third parties, incurred or expended for the alteration of the course, direction, surface, grade or alignment of any of the said highways, roads, thoroughfares, alleys, and public ways necessarily made by or for Grantee for the purpose of exercising any right under this franchise, and said Grantee shall indemnify and hold harmless the County of Yavapai and the Board of Supervisors thereof from any and all suits, claims, damages and judgments resulting from injuries to persons or property due to the placing, location and maintenance of equipment and facilities upon, in or under the provisions hereof. Grantee shall maintain its equipment and facilities at its own cost and expense and will make all necessary repairs from time to time as the same may be needed without the necessity of notice from Yavapai County.

7. The Grantee shall be required to secure and maintain in force for the duration of the franchise general comprehensive liability insurance insuring against all damages charged to the County or the Grantee resulting from the installation, development, maintenance or expansion of the Grantee's system, as follows:

(a) Five Hundred Thousand Dollars (\$500,000) for bodily injury or death to any one person with an aggregate limit for any one occurrence of One Million Dollars (\$1,000,000) for bodily injury or death.

(b) Two Hundred Fifty Thousand Dollars (\$250,000) for property damage resulting from any one accident.

(c) Fifty Thousand Dollars (\$50,000) for all other types of liability.

Page 4 / August 16, 1999  
**Franchise Agreement**  
Little Park Water Company  
(Big Park Water Company)

Yavapai County, Arizona, shall be named on the aforesaid policy as a coinsured, or added thereon by endorsement as a named insured. A certificate of insurance as well as a copy of the policy shall be filed with the Public Works Director. The certificate shall provide that if the policy shall be cancelled by the insurance company or the Grantee during the term of the policy, ten (10) days written notice prior to the effective date of such cancellation shall be given the Public Works Director of Yavapai County, Arizona.

8. This franchise shall not be deemed to be exclusive and the Board of Supervisors hereby expressly reserves the right and power from time to time to grant similar franchises and privileges over the same territory and highways, roads, thoroughfares, alleys, and public ways.

9. Grantee certifies that all water and sewer operations shall be supervised by a duly authorized local operator, whose name, address, and phone number shall be kept in the records of the Public Works Director. Grantee shall notify the Public Works Director of any operator changes.


10. Grantee shall notify the Public Works Director of any assignment of this franchise, including assignee's name, address and phone number.

11. Grantee shall apply for renewal of this franchise not less than sixty (60) days prior to its expiration. In the event required notice, public hearings and official action cannot be taken prior to expiration due to no fault of Grantee, this franchise shall continue until final action by Grantor has been taken.

12. This franchise is granted upon the express condition subsequent that a Certificate of Convenience and Necessity be procured from the Arizona Corporation Commission within six months from the date of granting of this franchise; and if such Certificate is not granted within six months from said date, then this franchise to be void, otherwise to be in full force and effect for the time herein specified.

Dated: August 16, 1999

**SEAL**

  
\_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

  
\_\_\_\_\_  
Clerk, Board of Supervisors

Page 5 / August 16, 1999  
Franchise Agreement  
Little Park Water Company  
(Big Park Water Company)

### ACCEPTANCE OF LICENSE

TO: The Clerk of the Board of Supervisors of Yavapai County

Pursuant to the Order of the Board of Supervisors of Yavapai County dated August 16, 1999.

**LITTLE PARK WATER COMPANY**  
(a subsidiary of Big Park Water Company)

hereby accepts the license to construct and/or operate a water franchise within the authorized service area and under the terms specified in the license.

Dated this 16<sup>th</sup> Day of August, 1999

This franchise agreement shall expire on **AUGUST 16, 2014**.

By *Mary Lynn Gudovic*

Its: PRESIDENT

STATE OF ARIZONA     )  
                                  ) ss.  
COUNTY OF YAVAPAI    )

SUBSCRIBED AND SWORN TO before me by *Steve Gudovic* this  
29 day of *July*, 1999

*Mary Lynn Gudovic*  
Notary Public

My Commission Expires:



**ARIZONA DEPARTMENT OF WATER RESOURCES**

**Office of Assured and Adequate Water Supply**  
500 North Third Street, Phoenix, Arizona 85004-3921  
Telephone 602 417-2460  
Fax 602 417-2423



**JANE DEE HULL**  
Governor

**RITA PEARSON**  
MAGUIRE  
Director

November 1, 2000

Mr. Steve Gudovic  
Big Park Water Company  
45 Castle Rock Road  
Sedona, AZ 85018

Re: Designation of Assured Water Supply – Little Park Water Company

Dear Mr. Gudovic:

I am pleased to inform you that the Department of Water Resources has approved the Little Park Water Company application for a Designation of Adequate Water Supply. We have enclosed the formal Decision and Order and a copy of the file summary. The Decision and Order includes an itemization of Big Park Water Company's responsibilities in maintaining the Designation.

If you have any questions regarding these documents, please contact me at (602) 417-2400, extension 7311.

Sincerely,

A handwritten signature in dark ink, appearing to read "Douglas W. Dunham", written over a horizontal line.

Douglas W. Dunham  
Office of Assured and Adequate Water Supply

cc: Mr. Roy Tanney, Arizona Department of Real Estate



1 **DEPARTMENT OF WATER RESOURCES**

2 **BEFORE THE DIRECTOR**

3  
4 **IN THE MATTER OF THE APPLICATION )**  
5 **OF THE LITTLE PARK WATER COMPANY )**  
6 **FOR A DESIGNATION AS HAVING AN )**  
7 **ADEQUATE WATER SUPPLY, No. 21-400324 )**

**AWS No. 2000-005**

**DECISION AND ORDER**

8 On March 9, 2000, the Department of Water Resources (Department) received an application  
9 from the Little Park Water Company (Little Park) requesting that the Department designate Little Park as  
10 having an adequate water supply pursuant to A.R.S. § 45-108 and A.A.C. R12-15-715 *et seq.* The  
11 application was determined to be complete on August 31, 2000.

12 After receiving Little Park's request to obtain a designation of adequate water supply, and after  
13 reviewing relevant information regarding the designation request, including a review of hydrologic data on  
14 file with the Department for the proposed source of supply, and information provided by the Arizona  
15 Department of Environmental Quality (ADEQ) regarding the quality of the proposed source of water, the  
16 Department finds the following:

- 17 1. Little Park has the right to withdraw groundwater for service to its customers pursuant to  
18 A.R.S. § 45-453.
- 19 2. Little Park's current and committed demand for the calendar year 2000 was 22 acre-feet.
- 20 3. Little Park's projected demand for the calendar year 2010 is 42.8 acre-feet.
- 21 4. Based on available hydrologic data and the current, committed and projected demand of  
22 42.8 acre-feet, the depth to groundwater within Little Park's boundaries is projected to  
23 decline an average of one foot per year to a maximum of 600 feet below land surface in  
24 100 years.
- 25

1           5.       Little Park's service area wells have a capacity that exceeds its projected annual demand  
2                   for calendar year 2010.

3           6.       Little Park's groundwater supply satisfies all existing local, state, and federal water quality  
4                   standards.

5  
6           **Having reviewed the Findings of Fact, the Department makes the following conclusions of**  
7 **law based on information that was provided to the Department or obtained independently by the**  
8 **Department prior to the issuance of this Decision and Order:**

9           1.       Little Park has sufficient water supplies, which are physically, continuously and legally  
10                   available to satisfy its current, committed and projected 2010 demands for one hundred  
11                   years following the signing of this Order.

12          2.       Little Park's proposed water supplies are of adequate quality.

13  
14          **Having reviewed the Conclusions of Law, the Department hereby issues this Decision and**  
15 **Order designating the Little Park Water Company as having an adequate water supply, subject to**  
16 **the following conditions:**

17          1.       The designation applies only to customers which will be served water by Little Park inside  
18                   its current service area.

19          2.       Beginning March 31, 2001, and on March 31 of each calendar year thereafter, Little Park  
20                   shall submit to the Department the following information for the preceding calendar year.

21           a.       The total quantity of water from any source, withdrawn, diverted, or received by  
22                   Little Park for its customers' use during the previous calendar year.

23           b.       The estimated future demand of platted, undeveloped lots which are located in  
24                   Little Park's service area.

- 1 c. The projected volume of water demand at build-out of customers with which Little  
2 Park has entered into a notice of intent to serve agreement in the calendar year.  
3 d. A report regarding Little Park's compliance with water quality requirements.  
4 e. The depth-to-static water level of all wells from which Little Park withdrew water  
5 during the calendar year.

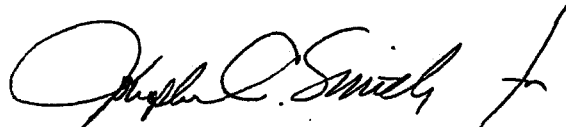
6 3. Little Park shall notify the Department in writing if a court or Special Master makes a rule  
7 or ruling, issues a report, or enters an order, regardless of its finality, which affects either  
8 Little Park's right to withdraw water from its wells or the volume of water Little Park may  
9 withdraw.

10 4. The Director may revoke the designation if the quantity, quality, or legal availability of  
11 water resources to Little Park is no longer sufficient to provide an adequate water supply  
12 for Little Park's current, committed and two years of projected demand, as evaluated  
13 under the Department's current rule or rules established in the future.

14 5. Any request for review of this Decision and Order shall be filed with the Docket  
15 Supervisor no later than thirty (30) days from receipt of this Decision and Order.  
16

17 **IT IS HEREBY ORDERED THAT THE LITTLE PARK WATER COMPANY BE DESIGNATED**  
18 **AS HAVING AN ADEQUATE WATER SUPPLY.**

19 DATED this 30<sup>TH</sup> day of October, 2000

20 

21 RITA PEARSON MAGUIRE  
22 Director  
23  
24  
25

**2006 FIRST HALF PAYMENT COUPON**

**Due October 1, 2006**  
**TITLE PARK WATER CO**  
**15-40-970 4 0150653**

**Delinquency Date** First Half Payment  
 Penalty for late payment is 16% per year prorated  
 monthly as of the 1st day of the month for  
 payments postmarked after **5:00 P.M.** November  
 2006 (ARS 42-18052 and ARS 42-18053).

Any total property tax of \$100 or less must be paid  
 in full using the first payment coupon, no later  
 than November 1, 2006 at 5:00 p.m.

To pay taxes for the full year, send the 1st half coupon  
 with your payment postmarked no later than Dec. 31,  
 2006. Delinquent interest will be waived.

DETACH AND RETURN WITH PAYMENT

1

Make check payable to:  
**Ross D. Jacobs**  
**Yavapai County Treasurer**  
**1015 Fair Street**  
**Prescott AZ 86305-1807**

Payment in U.S. FUNDS ONLY

TO PAY 1ST HALF ONLY	PAY ▶	<b>843.43</b>
TO PAY FULL YEAR TAX	PAY ▶	<b>1,686.86</b>

If your mortgage company makes your property  
 tax payments consider this notice as a courtesy  
 copy for your records only.



\*9154097004



**Ross D. Jacobs**  
**Yavapai County Treasurer**  
**1015 Fair Street**  
**Prescott AZ 86305-1807**

2006 9154097004 1 00000016868600000084343

## **WATER FACILITIES LINE EXTENSION AGREEMENT**

THIS LINE EXTENSION AGREEMENT, (hereinafter referred to as the "Agreement") entered into this 12 day of April, 2007, by and between **LITTLE PARK WATER COMPANY** (hereinafter referred to as the "Company") and **VERDE VALLEY SCHOOL** (hereinafter referred to as the "Developer"), is for the construction of utility plant necessary to provide water utility service to **Verde Valley School**, Yavapai County, Arizona (hereinafter called the "Development").

### WITNESSETH:

WHEREAS, Company owns and operates a public service corporation and holds a Certificate of Convenience and Necessity authorizing it to serve the public with water; and,

WHEREAS, Developer is developing property presently outside of the certificated area of the Company, which Development is more fully described in Exhibit "A" hereto and incorporated herein by reference for all purposes; and,

WHEREAS, Company does not presently own or operate a water distribution system able to serve the Development; and,

WHEREAS, under such circumstances the Commission's Rules and Regulations permit the Company to require an Advance in Aid of Construction and Arsenic Impact Hook-up Tariff to provide such facilities; and,

WHEREAS, Company agrees that Developer may design and construct said water facilities subject, however, to approval of such engineering design and water utility contractor by the Company.

NOW, THEREFORE, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. Developer shall design, construct and install or cause to be designed, constructed and installed, all water facilities necessary to provide adequate water service for domestic, fire and irrigation to the entire Development. Said water facilities are more fully described in Exhibit "B" hereto. Developer shall pay all of the costs of constructing, installing and connecting the water facilities, including, but not limited to, the costs of engineering, materials, labor, transportation, equipment, necessary permits and approvals, testing, correction, insurance and bonds. Developer's cost for the construction and installation of the water facilities shall be subject to refund pursuant to Paragraph 12 of this Agreement.
2. If requested by Company, Developer shall "oversize" the water facilities as specified by Company. Company shall reimburse Developer for the differential in material

**ATTACHMENT B**

prices of the oversized pipe and appurtenances, versus the material prices of the pipe and appurtenances as specified in Exhibit "C".

3. The water facilities for the Development will be designed and constructed with sufficient capacity to accommodate the water service requirements of the Development for domestic and irrigation purposes.
4. Developer agrees that the water facilities will be completed so as to enable Company to provide water service to the Development as such service is requested.
5. Developer anticipates that commencement of the construction of water facilities to accommodate the needs of the Development will be no later than twelve (12) months from the date of this Agreement is executed by the Developer and Company. Developer shall obtain all necessary governmental approvals of its Development within the twelve (12) month period.
6. Developer shall obtain all requisite permits, zoning and other approvals in advance of construction of the water facilities. All plans, specifications, construction and installation of the water facilities shall be in accordance with Company standards, latest revision, rules, regulations and requirements of the Arizona Department of Environmental Quality, Yavapai County Development Services Department and the requirements of all other governmental agencies having jurisdiction thereover. Additionally, all of said plans and specifications shall have the written approval of Company before construction is commenced. Approval by Company will not be unreasonably withheld or delayed.
7. Developer shall comply with the inspection and testing requirements of Company; said requirements shall be reasonable and shall not cause Developer unwarranted delays in the ordinary course of construction. Developer shall give Company adequate notice when the water facilities under construction are ready for inspection and testing. Company specifically reserves the right to withhold acceptance of the water facilities unless said facilities have been constructed in accordance with the approved plans and specifications and are satisfactory to Company upon inspection and testing. Developer agrees that it will promptly correct all defects and deficiencies in construction, materials and workmanship upon request by Company made subsequent to inspection by Company and for one year following Company's written final acceptance of the water facilities. Inspection or acceptance by Company shall in no way relieve or limit Developer's responsibility and liability for construction and installation of the water facilities in accordance with the terms of this Agreement.
8. The water facilities constructed pursuant to this Agreement shall become, upon installation, and remain the sole property of Company. However, Developer shall furnish any document pertaining to ownership and title as may be requested by Company including documents which evidence or confirm transfer of possession to Company, and good and merchantable title free and clean of liens, or which contain provisions for satisfaction of all liens or potential liens by Developer or its contractor. All risk of loss shall be with the Developer until written final acceptance is issued by the Company, of the water facilities. Developer shall repair or cause to be repaired, and at no cost to Company, all damage to the water facilities caused by the

construction operations until all construction in Development by or for Developer has been completed and Company has issued a written final acceptance. From the date of the final acceptance, Developer has one year maintenance period of the water facilities as outlined in this paragraph and paragraph 8 hereof. Developer acknowledges that Company has the right to, and may in the future connect its existing or future water systems to the water facilities.

9. Developer shall, at no cost to Company, grant or cause to be granted to Company perpetual rights-of-way and easements and obtain all necessary zoning and other governmental approvals, as required, in a form satisfactory to Company's counsel, for any water facilities to be constructed pursuant to this Agreement.
10. Developer shall, within thirty (30) days of Company's acceptance of the water facilities installation, furnish Company with: (a) copies of all bills, invoices and other statements of expenses incurred by Developer, covering all of the costs for engineering, surveying, materials, equipment, supplies, construction and installation of the water facilities; (b) lien waivers and releases from the project engineer; contractors, subcontractors and vendors for materials, equipment, supplies and construction included in the water facilities; (c) receipts, specifying exact amounts for payments in full by Developer to all contractors, subcontractors and vendors for all materials, equipment, supplies, labor and other costs of construction of the water facilities; (d) mylar "as constructed" drawings certified as to correctness by an engineer registered in the State of Arizona and showing the locations and respective sizes of all water facilities; and (e) "Certificate of Approval to Operate Water Facilities" issued by the Arizona Department of Environmental Quality/Yavapai County Development Services Department. Company reserves the right to withhold service to the Development until the aforementioned documentation is provided and validated by Company.
11. Company will provide water service to the Development in accordance with the rates, charges and conditions set forth in the tariffs of Company as filed with the Arizona Corporation Commission. Those rates are subject to change from time to time upon application of Company and approved by the Commission.
12. The cost of construction and installation of water facilities as evidenced by invoices furnished to Company pursuant to Paragraph 10 hereof, to the extent that facilities or cash have been actually advanced, are subject to refund by Company to Developer. Company shall make refunds annually to Developer on or before August 31, for the preceding July 1 through June 30 period. The amount to be refunded annually shall be ten percent (10%) of revenues (excluding all gross receipts, taxes or sales taxes and all District, Municipal, County, State or Federally imposed regulatory assessments) derived from the provision of water service to Development. Refunds shall be payable for a period of ten (10) years from the date of the advance but in no event shall the refunds paid to Developer exceed the total amounts paid by Developer for the portion of the Common Facilities and the water facilities as advances in-aid-of construction. Any balance remaining at the end of the ten (10) year period shall become non-refundable. No interest shall be paid on any amount advanced.

13. Prior to the commencement of construction of the water facilities, Developer shall furnish Company with appropriate certificates of insurance for coverage effective during the period of construction in the following types and amounts:
- a. Workers Compensation Insurance with statutory limits as required by the laws of the State of Arizona and Employer's Liability Insurance with a limit of not less than ONE MILLION DOLLARS (\$1,000,000).
  - b. Commercial General Liability Insurance including premises operations, completed operations, independent contractors and blanket contractual liability with limits of not less than TWO MILLION DOLLARS (\$2,000,000) combined single limit for bodily injury (including death) and property damage. When the work to be performed requires blasting, Developer shall cover that risk. Company shall be named as the insured, but only with respect to acts or omissions of Developer in connection with Developer's operations arising from this Agreement.
  - c. Commercial Business Automobile Liability Insurance with limits of ONE MILLION DOLLARS (\$1,000,000) combined single limit covering all owned and non-owned automobiles or trucks used in connection with the work. Company shall be named as an additional insured.
14. Company will endeavor to maintain satisfactory and continuous service, but does not guarantee continuous water service. Company shall not be liability for damages occasioned by interruptions or failure to commence service or unsatisfactory service, or any claim arising out of this Agreement caused by an act of God or the public enemy, accident, fire, explosions, strikes, riots, war, delay in receiving shipment of required materials, order of any court or judge granted in any legal proceedings or action, or any order of any commission or tribunal having jurisdiction in the premises; or without limitation by the preceding enumeration, any other act or thing reasonably beyond its control, or incident to interruptions necessary for repairs or changes in Company; production, storage, transmission or distribution facilities.
15. Developer hereby assumes the entire responsibility and liability for injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence of Developer, its agents, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith. Accordingly, Developer will indemnify and hold harmless Company, its officers, directors, agents and employees from and against claims or expenses, including penalties and assessments and attorneys fees to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage, and in case any suit or other proceeding shall be brought on account thereof, Developer will assume the defense at Developer's own expense and will pay all judgments rendered therein.
16. The failure or either party hereto to enforce any of the provisions of the Agreement or the waiver thereof in any instance shall not be construed as a general waiver or relinquishment on its part of any such provision but the same shall, nevertheless, be and remain in full force and effect.



17. Communications hereunder shall be sent to Developer, addressed as follows:

Dan Williams, Business Manager  
Verde Valley School  
3511 Verde Valley School Road  
Sedona, AZ 86351  
Telephone: 928-284-2272

or to such other address or addresses as Developer may advise Company in writing, and to Company at:

Steve Gudovic, President  
Little Park Water Company  
45 Castle Rock Road, Suite 4  
Sedona, AZ 86351  
Telephone: 928/284-1133

or to such other address or addresses as Company may advise Developer in writing.

18. It is agreed that Company is not an agent for Developer and shall not incur any costs or expenses on behalf of Developer and that Developer is not an agent for Company and shall not incur any costs or expenses on behalf of Company.

19. This Agreement shall be governed by the laws of the State of Arizona and shall be subject to such approvals of regulatory agencies as may be required under the laws of said State.

20. This Agreement represents the entire understanding between the parties with respect to the subject matter herein and those which are reasonably related; there are no oral or collateral agreements with respect thereto between the parties. All changes or amendments to this Agreement must be in writing and signed by the parties hereto.

21. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representative, successors and assigns. However, Developer shall not assign its rights, obligations and interest in this Agreement without the prior written consent of Company, and any attempted assignment without such consent shall be void and of no effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate originals, as of the date and year first above written.

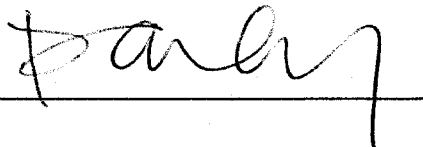
**LITTLE PARK WATER COMPANY**

**VERDE VALLEY SCHOOL**

By

  
Steve Gudovic

By



Title: President

Title: Business Manager

**Exhibit A**

**Water Facilities Line Extension Agreement  
Between  
LITTLE PARK WATER COMPANY  
and  
VERDE VALLEY SCHOOL**

Dated: 4/12 2007

**Legal Description**

See attached

# EXHIBIT

OF VERDE VALLEY SCHOOL, 3511  
VERDE VALLEY SCHOOL ROAD,  
YAVAPAI COUNTY, ARIZONA

POINT OF BEGINNING  
RESIDENTIAL PARCEL

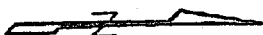
POINT OF BEGINNING  
SCHOOL PARCEL

SCHOOL  
PARCEL  
72.769 ACRES

RESIDENTIAL  
PARCEL  
78.790 ACRES

SECTION LINE,  
SECTIONS 35 & 10

NOT TO SCALE



LINE	BEARINGS	LENGTH
L1	S 89°02'05" E	1439.52'
L2	S 00°31'17" W	1107.77'
L3	S 61°30'14" W	524.32'
L4	S 00°31'17" W	978.04'
L5	S 89°48'13" W	217.28'
L6	S 00°31'17" W	330.67'
L7	S 89°47'38" W	472.43'
L8	S 89°48'06" W	330.34'
L9	N 00°12'34" W	637.14'
L10	N 89°56'45" E	33.58'
L11	N 00°53'55" E	2057.45'
L12	S 89°02'05" E	477.24'
L13	S 23°44'59" E	6.36'
L14	S 35°02'39" E	244.68'
L15	S 19°28'44" E	570.56'
L16	S 07°17'26" W	169.75'
L17	S 36°07'39" E	217.00'
L18	S 89°58'04" W	28.72'
L19	S 00°08'18" E	298.94'
L20	S 89°49'54" W	1319.45'
L21	S 89°48'13" W	329.86'
L22	S 00°12'21" E	330.55'
L23	S 89°47'38" W	516.92'

CURVE	RADIUS	DELTA	LENGTH
C1	368.30'	60°38'34"	389.81'
C2	1382.40'	11°17'40"	272.51'
C3	622.96'	15°33'55"	169.24'
C4	299.11'	26°46'10"	139.75'
C5	268.31'	43°25'05"	203.32'

NOTE:

THIS EXHIBIT IS INTENDED TO  
ACCOMPANY A DESCRIPTION, IT  
IS NOT A SURVEY AND SHOULD  
NOT BE CONSTRUED AS SUCH.

**Superior  
Surveying  
Services, Inc.**

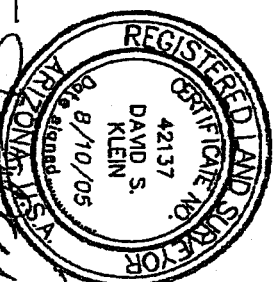
PROFESSIONAL LAND SURVEYING - ARIZONA, CALIFORNIA, NEVADA  
ARIZONA NO. 16314 - CALIFORNIA NO. 16060 - NEVADA NO. 7880

21415 North 23rd Avenue  
Phoenix, Arizona 85027  
Phone (602) 869-0223  
Fax (602) 869-0726

DATE: 8/10/05

REVISED:

JOB NO.: 260709



**Superior  
Surveying  
Services, Inc.**

PROFESSIONAL LAND SURVEYING IN ARIZONA

Randy S. Delbridge, President

21415 North 23rd Avenue  
Phoenix, Arizona 85027  
(623) 869-0223 Fax (623) 869-0726

Member A.C.S.M., A.P.L.S., G.L.L.S.

Job Number: 250709

August 10, 2005

**DESCRIPTION OF SCHOOL PARCEL FOR VERDE VALLEY SCHOOL,  
3511 VERDE VALLEY SCHOOL ROAD, YAVAPAI COUNTY, ARIZONA**

A portion of the South half of Section 35, Township 17 North, Range 5 East and a portion of the North half of Section 10, Township 16 North, Range 5 East of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, being more particularly described as follows:

BEGINNING at a USDAFS Aluminum Cap set in concrete marking the Northwest corner of the Northeast quarter of the Southwest quarter of the Southwest quarter of said Section 35 from which a USDAFS Aluminum Cap marking the Southwest corner of the Southeast quarter of the Southwest quarter of the Southeast quarter of the Southwest quarter of said Section 35 bears South 00 degrees 53 minutes 55 seconds West 2057.45 feet said line being the basis of bearings for this description;  
THENCE South 89 degrees 02 minutes 05 seconds East 1439.52 feet;  
THENCE South 00 degrees 31 minutes 17 seconds West 1107.77 feet;  
THENCE South 61 degrees 30 minutes 14 seconds West 524.32 feet to the North-South Mid-Section line of said Section 35;  
THENCE South 00 degrees 31 minutes 17 seconds West 978.04 feet along said North-South Mid-Section line and its Southerly extension to the South line of GLO Lot 6 of said Section 10;  
THENCE South 89 degrees 48 minutes 13 seconds West 217.28 feet along said South line;  
THENCE South 00 degrees 31 minutes 17 seconds West 330.67 feet;  
THENCE South 89 degrees 47 minutes 38 seconds West 472.43 feet;  
THENCE South 89 degrees 48 minutes 06 seconds West 330.34 feet;  
THENCE North 00 degrees 12 minutes 34 seconds West 637.14 feet to the Northeast corner of GLO Lot 7 of said Section 10;  
THENCE North 89 degrees 56 minutes 45 seconds East 33.58 feet along the North line of said GLO Lot 7 to a USDAFS Aluminum Cap marking the Southwest corner of the Southeast quarter of the Southwest quarter of the Southeast quarter of said Section 35;  
THENCE North 00 degrees 53 minutes 55 seconds East 2057.45 feet to the POINT OF BEGINNING.

COMPRISING 72.769 acres or 3,169,833 square feet more or less, subject to all easements of record.





**Superior  
Surveying  
Services, Inc.**

PROFESSIONAL LAND SURVEYING IN ARIZONA

Randy S. Delbridge, President

21415 North 23rd Avenue  
Phoenix, Arizona 85027  
(623) 869-0223 Fax (623) 869-0726

Member A.C.S.M., A.P.L.S., G.L.I.S.

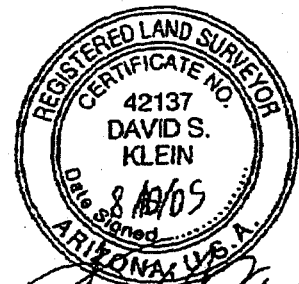
Page 2 of 2  
August 10, 2005

Job Number: 250709

**DESCRIPTION OF RESIDENTIAL PARCEL AT VERDE VALLEY SCHOOL,  
3511 VERDE VALLEY SCHOOL ROAD, YAVAPAI COUNTY, ARIZONA**

THENCE South 36 degrees 07 minutes 39 seconds East 217.00 feet to the South line of the Southeast quarter of said Section 35;  
THENCE South 89 degrees 58 minutes 04 seconds West 28.72 feet along said South line;  
THENCE South 00 degrees 08 minutes 18 seconds East 298.94 feet to the Southeast corner of GLO Lot 5 of said Section 10;  
THENCE South 89 degrees 49 minutes 54 seconds West 1319.45 feet along the South line of said Lot 5 to the Southeast corner of GLO Lot 6 of said Section 10;  
THENCE South 89 degrees 48 minutes 13 seconds West 329.86 feet along the South line of said Lot 6;  
THENCE South 00 degrees 12 minutes 21 seconds East 330.55 feet;  
THENCE South 89 degrees 47 minutes 38 seconds West 516.92 feet;  
THENCE North 00 degrees 31 minutes 17 seconds East 330.67 feet;  
THENCE North 89 degrees 48 minutes 13 seconds East 217.28 feet to the Southerly extension of the North-South Mid-Section line of said Section 35;  
THENCE North 00 degrees 31 minutes 17 seconds East 978.04 feet along said Mid-Section line;  
THENCE North 61 degrees 30 minutes 14 seconds East 524.32 feet;  
THENCE North 00 degrees 31 minutes 17 seconds East 1107.77 feet to the POINT OF BEGINNING.

COMPRISING 78.790 acres or 3,432,075 square feet more or less, subject to all easements of record.



**Exhibit B**

**Water Facilities Line Extension Agreement  
Between  
LITTLE PARK WATER COMPANY  
and  
VERDE VALLEY SCHOOL**

Dated: 2/1/2 2007

See Attached

**Exhibit C**

**Water Facilities Line Extension Agreement  
Between  
LITTLE PARK WATER COMPANY  
and  
VERDE VALLEY SCHOOL**

Dated: 4/12 2007

**ENGINEERING ESTIMATE OF COST**

**A. Refundable Advances in Aid-of-Construction**

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total</u>
1	Service Line	2 each	\$ 1,500	\$ 3,000
2	2" Blow-Off	2 each	1,500	3,000
3	8" Water Main PVC – CL 200	3,307 L.F.	72	238,104
4	8" Gate Valve	5 each	950	4,750
5	Air Release Valve	1 each	3,650	3,650
6	Engineering and Surveying	L.S.	25,000	<u>25,000</u>
Sub-Total .....				\$ 277,504

**B. Contribution in Aid-of-Construction**

7	Fire Hydrants	5 each	4,250	21,250
8	Arsenic Impact Hook-Up Fee (4" Meter)	2 each	33,000	66,000
9	Engineering and Surveying	L.S.	2,000	<u>2,000</u>
Sub-Total .....				\$ 89,250

**TOTAL ESTIMATED COST..... \$366,754**



# Little Park Water Company

45 Castle Rock Road #4  
Sedona, AZ 86351  
Tel. 928/284-1133 Fax 928/284-1974

May 16, 2007

Mr. Dan Williams  
Business Manager  
Verde Valley School  
3511 Verde Valley School Road  
Sedona, AZ 86351

**Re: Public Notice of an Application for a  
Certificate of Convenience and Necessity (CCN)  
By Little Park Water Company**

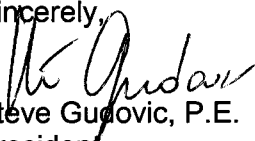
Dear Dan:

Little Park Water Company has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water service to an area in which records indicate that you are a property owner. If the application is granted, Little Park Water Company would be the exclusive provider of water service in the proposed area. Little Park Water Company will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not be necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission at 1200 West Washington Street, Phoenix, AZ and at Little Park Water Company, 45 Castle Rock Road, Sedona, AZ.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application, have any objections to its approval or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, AZ 85007 or call 1-800-535-0148.

Sincerely,



Steve Gudovic, P.E.  
President

Little Park Water Company

**ATTACHMENT D**